

THE EVILS OF GAMBLING

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 2014

Mr. WOLF. Mr. Speaker, I have long been opposed to any expansion of legalized gambling and have continually sought to raise awareness of the dangerous economic and social costs of gambling. That is why I want to submit for the RECORD a statement I received from one of the foremost experts on the dangers of gambling, Tom Grey, and the director of Stop Predatory Gambling, Les Bernal.

STATEMENT BY LES BERNAL, NATIONAL DIRECTOR, STOP PREDATORY GAMBLING AND TOM GREY, SENIOR ADVISOR TO STOP PREDATORY GAMBLING

Today, we would seek to speak for the “losers.” The “losers” are those citizens sacrificed by our government in its failed experiment of sponsoring and promoting gambling to extract as much money as possible from the public. “Losers” isn’t a term we coined. That’s the word used by a slot machine designer at America’s biggest maker of electronic slot machines, International Gaming Technology (IGT), to describe the citizens who use the machines he makes, many of whom are your constituents. “When I asked one I.G.T. artist if he ever plays, he acted as if I had insulted him,” wrote New York Times reporter Gary Rivlin in his cover story on slot machines for *The Times Sunday Magazine*. “Slots are for losers,” he spat, and then, coming to his senses, begged me to consider that an off-the-record comment.”

Scott Stevens of Steubenville, Ohio was one of these “losers” who we speak for today. Yet Scott Stevens was a success by nearly every measure we use in America. Through hard work and sacrifice, Scott became a very successful business executive, earning an upper-middle class income. He was happily married with three daughters and actively served his community in a variety of different volunteer leadership roles.

But the lives of Scott Stevens and his family changed forever when they intersected with a government program unlike any other. It is a government program that exists to extract as much money as possible from citizens to fund government itself. This program has been called “government-sponsored gambling” but a growing number of Americans in the public square today call it more accurately as “predatory gambling.”

Predatory gambling is when government uses gambling in the form of casinos and lotteries to cheat and exploit citizens. For-profit gambling is illegal unless the government gives its full support, and in nearly every instance operates in partnership with gambling interests whether in the form of state lotteries, commercial casinos or tribal casinos. Scott Stevens knew firsthand about predatory gambling.

Today, the electronic gambling machine has become government’s preferred method of extracting money from citizens. Slots make up to 80% of gambling profits. These gambling machines are literally designed so citizens cannot stop using them, exploiting aspects of human psychology and inducing irrational and irresponsible behavior. Every feature of a slot machine—its mathematical structure, visual graphics, sound dynamics, seating and screen ergonomics—is designed to increase a player’s “time on device”—which means how long a person plays.

Gambling operators found that their profits were not about the size of the gamblers’ stakes but rather the volume of their play.

“If you provide them with the right time-on-device, they will stay and play,” one slot designer said to MIT Professor Dr. Natasha Schull in her recent book on slot machine technology titled *Addiction By Design*. “If you take it too quickly and they lose, they’re going to leave.” In the actual language of the casino business, the goal is to get every user “to play to extinction”—until all their money is gone. Dr. Schull quotes a slot marketing expert. “I want to keep you there as long as humanly possible,” another slot operator told her. “That’s the whole trick, that’s what makes you lose.”

The slot machine is designed to be so effective at extracting money from people, wrote Dr. Schull, that it is “a product that, for all intents and purposes, approaches every player as a potential addict—in other words, someone who won’t stop playing until his or her means are depleted.”

Scott Stevens was one of the “losers” who used a slot machine. He became someone who used the slot machine the way its maker and promoter intended: he could not stop using it.

Aggressively marketed to the public as “fun” and actively promoted by public officials, why would Scott ever possess any concerns about using a modern slot machine?

Citizens like Scott Stevens who use slot machines as intended are the most lucrative “losers” of all for government and the gambling operators it partners with. Over the last decade there are 11 different independent studies—studies not funded by gambling interests—that show 40 percent–60 percent of slot machine profits are taken from citizens like Scott Stevens. Citizens who have been turned into gambling addicts.

In America today, at least 10 million citizens are gambling addicts; citizens who have become addicted to what is, literally, a government program. We call these millions of citizens who have ruined their lives and painfully wounded their families so our government can extract more money, “The Expendable Americans.”

Scott Stevens was an Expendable American. He lost his job because he took company money and poured it into slot machines sponsored by the government. He maxed out his credit cards to tens of thousands of dollars. He emptied his daughters’ college savings accounts and his 401k retirement funds. He owed huge debts to the IRS for not paying taxes on what government labeled his “winnings,” despite losing far greater money than he won.

On August 13, 2012, even though he had already given almost everything he had to this public policy, Scott Stevens made one last sacrifice. He drove to a children’s soccer park in his town that he raised money to build. He sat down on a park bench. He called 911 on his cell phone and told them what he was planning to do. When the police and ambulance arrived at the park he said, “You’re not here to stop me, you’re here to take me home” and then shot himself in front of them. In the days afterward, a letter arrived in the mail addressed to his wife Stacy. Scott mailed it before taking his own life. It said, in part:

“I know you don’t believe it but I love you so much! I have hurt you so much. Our family only has a chance if I’m not around to bring us down any further. You’re such an unbelievable wife and mother. I know you will hold the family together . . .”

While millions of men and women like Scott Stevens and their families have sacrificed and hurt so much to provide needed revenues to American government, no one has ever thanked them for their “service.” There are no parades with fluttering American flags in the breeze. No yellow ribbons. Our country simply renders them failures.

Failure is the right description but it is directed toward the wrong participant. Government’s experiment with gambling is the definition of failure, representing one of the biggest public policy busts of the modern era. Over the past four decades, government’s partnership with gambling has failed in a multitude of ways.

It has transformed gambling from a private and local activity into the public voice of American government, such that ever-increasing appeals to gamble, and ever-expanding opportunities to gamble, now constitute the main ways that our government communicates with us on a daily basis.

It has broken its promise to remain a small component of our government and a small part of our society. In the brave new world envisioned by this power structure—where every cell phone is a “casino in your pocket” and every bar, gas station, convenience store, computer, and home in the nation is a place to place a bet—the essential driving message from the American government to the American people is “All gambling, all good, all the time.”

It has fueled irresponsibility and non-accountability in government by imposing a giant excise tax on the citizenry that politicians never have to call a “tax.”

It has failed to deliver on its over-hyped promises to fund education, lower taxes, or pay for needed public services.

It has taken political power away from the people and handed it over to gambling lobbyists.

It has perpetrated a phony model of economic development—a model with a jobs multiplier effect of approximately zero, since, in this model, nothing of value is produced.

It has promulgated the very economic attitudes and practices—short-term is more important than sustainable, wealth can come from ever-growing debt, something can come from nothing, sickness trumps honesty—that led us into the debt bubble and the Great Recession of 2008 and beyond.

It has caused neighboring states to compete against each other in a race to the bottom.

It has taken dollars from the poor to fund programs for the better-off.

It has spread addiction into our population, using the new science of machine design to produce out-of-control behavior that, according to scientists, closely resembles addictive behavior from cocaine.

It has spread debt and bankruptcy into our population.

It has led to serious gambling-related problems among young people.

It has contributed to broken families and child neglect and other social messes everywhere it goes, and has taken little or no responsibility to clean them up.

It has turned many law-abiding citizens into criminals who cheat, steal, and embezzle in order to continue to gamble.

It has arrogantly exempted itself from truth-in-advertising laws so that it can use taxpayer money to create and spread deceptive advertising.

It has corrupted our sense of community and undermined our faith that we’re all in this together.

It has deliberately changed the word “gambling” to “gaming” in order to make this often destructive activity sound as innocent as child’s play.

It has fueled cynicism about the motives of our government.

It has repudiated the value of thrift by creating mass incentives to turn potential savers into habitual bettors.

It has repudiated the virtue of “love your neighbor” and replaced it with a government endorsement of predatory practices, or preying on human weakness for gain.

It has withered our capacity as a people to confront forthrightly our reluctance to pay taxes for the public services we desire.

It has trampled on the ideal of “justice for all.”

It has broken faith with the wisdom and leaders of earlier generations who, seeing the failure of gambling in the past, amended state constitutions to ban gambling activities.

It has lied to us about how the government actually uses the money it gets from gambling.

It has lied to us by repeating again and again that luck—rather than work—is the key to the American dream.

This is a critical moment. How our generation responds to the reach and arrogance of the government-gambling power complex will largely determine the legacy we pass on to the next generation. Politically, economically, ethically, and spiritually, the stakes are extraordinarily high.

Politically: Government’s partnership with gambling fundamentally changes the compact between government and the governed. It pits government’s interests against the best interests of its people. For government to win, its citizens must lose.

Economically: No great nation has ever built prosperity on the foundations of personal debt, addiction, and the steady expansion of “businesses” that produce no new wealth. Relying on gambling as an economic development strategy is a sign of surrender and defeat on the part of leaders who have failed to lead.

Ethically: A decent government does not finance its activities by playing its most vulnerable citizens for suckers, thus rendering the lives of millions expendable, exploitable, and unworthy of protection.

Spiritually: We mock the higher values that any good society depends on—honesty, mutual trust, self-discipline, sacrifice, concern for others, and a belief in a work ethic that connects effort and reward—when government tells its citizens every day that it is committed to providing “fun” instead of opportunity; that a rigged bet is the way to achieve the American dream; and that spending one’s hard-earned dollars on scratch tickets is a form of good citizenship.

This is America. Surely we can do better than this. Surely we must. The choice is not—it has never been—between tying our future to gambling and accepting economic decline. Government-sponsored gambling is itself a form of economic decline. The alternative is to muster the courage to chart a path to true prosperity. An America freed from the yoke of government-sponsored gambling would be an America once again on the move—an America with broader and more sustainable economic growth, more honesty in government, more social trust, and the rekindling of the optimism that has long been our defining national strength.

While many leaders on both sides of the political aisle loudly proclaim they are committed to fighting unfairness and inequality of opportunity in America, their support of sponsoring and promoting gambling is actually intensifying the very unfairness and inequality that they decry. Many forces currently contributing to the rise of inequality, such as globalization and technological change, cannot be directly controlled by public policy. But government-sponsored gambling is a public policy—and it exists only because policy makers want it to exist.

A mounting pile of independent evidence further confirms this reality. Government-sponsored gambling is harming health, draining wealth from people in the lower ranks of the income distribution, and contributing to economic inequality. These are among the findings of *Why Casinos Matter*:

Thirty-One Evidence-Based Propositions from the Health and Social Sciences, a report released from the Council on Casinos in September 2013, an independent group of scholars and public policy leaders convened by the Institute for American Values, a non-partisan New York City-based think tank.

After four decades of unfulfilled promises, corrupt deals and broken dreams, it is time for our government to end its partnership with organized gambling interests and to embrace a fundamentally different and higher vision of the path to American prosperity.

In short, after four decades of consistent failure, it is time for our government to get out of gambling and for gambling to get out of our government. Stop Predatory Gambling is a Washington, DC-based nonprofit, transpartisan network of individuals and organizations from diverse backgrounds, political convictions and religious faiths dedicated to this fundamental national reform. We are committed to end the unfairness and inequality of opportunity created by government-sponsored casinos and lotteries.

We are part of the most diverse movement in the nation, an affirmation that most Americans share basic principles and values regardless of their position along the political spectrum. Today, we also provide a voice to all of these citizens from coast-to-coast who have bravely and selflessly fought in recent decades on behalf of our core belief that no taxpayer dollar should be used by government to lure citizens into gambling away their money and becoming slaves to debt; no agency or entity of government should depend on gambling to fund its activities; and no legislature, whether in the name of economic development or raising revenue, should pass laws to promote or sponsor gambling.

Some of you may ask what if government stopped sponsoring and promoting gambling? A better question that leads to a more revealing answer would be how did our nation educate children prior to introducing the lottery? Did not our parents as stakeholders fund government to provide the educational pathways to citizenship and potential prosperity? After World War II, how did America pivot from waging battle to creating jobs for a prosperous peacetime and enabling its citizens to become economic winners? Did not our government invest in not only roads and our infrastructure but more important, in breadwinners and families?

Already underway is a reclaiming of America from the devastation and heartbreak of government-sponsored casinos and lotteries.

It began in earnest with the establishment of the National Gambling Impact Study Commission by Congress in 1996 and its subsequent report in 1999 provided citizens with clear cut recommendations. The bipartisan commitment and courage by Congressman Frank Wolf, Congressman John LaFalce, Senator Richard Lugar and the late Senator Paul Simon to determine the truth about government-sponsored gambling, sustained and nourished the bottom-up growth of a national citizen movement opposing this dishonest and harmful public policy. What began as a diverse national coalition of groups and individuals, ultimately led to the organization of Stop Predatory Gambling, where today empowered citizens are challenging the gambling promoters with ever increasing intensity at the local, state and now, with the push for internet gambling, the federal level.

Perhaps the most visible challenge in 2014 is happening at the ballot box, that sacred public place where citizens can vote out of their best hopes or their worst fears for a common future. Citizens in Massachusetts have inspiringly waged a relentless fight against government-sponsored casinos for al-

most four years running. These citizens succeeded against overwhelming odds to achieve the first ever ballot question in a major state attempting to repeal state gambling laws in modern American history. Regardless of the outcome, the repeal drive signifies the unavoidable rising tide bringing a surge of major national reform on this issue.

Over the long-term, the most profound and lasting change may happen in our justice system. The family of Scott Stevens is ensuring he is no longer voiceless by bringing the facts of their story to federal court. Such litigation is bolstered by the rapidly-growing awareness of gambling addiction as a major public health issue, evidenced by the national story published last week by The Columbia University School of Public Health about the massive public health impacts of government-sponsored casinos and lotteries. It spotlights how predatory gambling is harming millions of Americans and the communities they live in.

It’s inevitable that government-sponsored gambling will be phased out in most places across the United States. It is not a question of if but when. It’s inevitable because we are a people who believe government should promote fairness and equality of opportunity for all. The speed of reform is up to all of us because it is we who will decide how many more “losers” like Scott Stevens we are willing to sacrifice from our own families and communities. Please join us in this good fight. Thank you.

TAIWAN NATIONAL DAY

HON. STEVE STIVERS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 19, 2014

Mr. STIVERS. Mr. Speaker, on October 10th Taiwan celebrates its National Day, commonly referred to as “Double Ten Day” because of its occurrence on the tenth day of the tenth month. On Double Ten Day, Taiwanese citizens pause and honor its first glimpse of becoming an independent and self-governing country.

Exactly six months ago, on April 10th, the United States and Taiwan celebrated a special anniversary—the 35th anniversary of the Taiwan Relations Act. This bill passed Congress and was signed into law by President Jimmy Carter in 1979. The Taiwan Relations Act was crucial in establishing a legal relationship between our country and that of Taiwan.

The Taiwan Relations Act has been mutually beneficial to both the United States and Taiwan—boosting our economies and establishing a confidence of protection to the newly-established democracy of Taiwan.

The people of Taiwan have contributed to our thriving economy in many ways—and for that, we are grateful. In fact, just last year, Taiwan imported nearly \$26 billion worth of American goods. In Ohio alone we have reached over \$450 million from exports to Taiwan—making the country Ohio’s 5th largest Asian export market.

We are grateful for Taiwan’s friendship and look forward to many more years of this successful partnership.